

Assembly Bill No. 1357

CHAPTER 1132

An act to amend Section 19134 of the Government Code, relating to public contracts.

[Approved by Governor September 30, 2002. Filed with Secretary of State September 30, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1357, Wiggins. Personal services contracts: employee compensation.

Existing law permits state agencies to enter into personal services contracts when certain conditions are met. These conditions include requiring a state agency that enters into a personal services contract for certain types of workers to include provisions for employee benefits that are valued at least 85% of the state employer cost of providing comparable benefits to state employees performing similar duties. For these purposes, existing law defines "benefits" to include health, dental, and vision benefits. The types of workers covered by this requirement include persons that provide janitorial and housekeeping services, custodians, food service workers, laundry workers, window cleaners, and security guards.

This bill would require these personal services contracts to also include provisions for employee wages that are valued at no less than 85% of the state employer cost of wages and benefits provided to state employees for performing similar duties. The bill would also include retirement benefits, holiday pay, sick pay, and vacation pay in the definition of benefits.

This bill would provide that it applies only to those personal services contracts and lease subcontracts entered into, renewed, or extended on or after July 1, 2003.

The people of the State of California do enact as follows:

SECTION 1. Section 19134 of the Government Code is amended to read:

19134. (a) Personal services contracts entered into by a state agency in accordance with Section 19130 for persons providing janitorial and housekeeping services, custodians, food service workers, laundry workers, window cleaners, and security guard services shall include provisions for employee wages and benefits that are valued at



least 85 percent of the state employer cost of wages and benefits provided to state employees for performing similar duties.

(b) For purposes of this section, “benefits” includes “health, dental, retirement, and vision benefits, and holiday, sick, and vacation pay.”

(c) (1) The Department of Personnel Administration shall establish annually the state employer wage and benefit costs for workers covered pursuant to this section.

(2) Benefit costs shall be established using rates based on single employee, employee plus one dependent, and employee plus two or more dependents, or the costs may be based on a blended rate, subject to the determination of the Department of Personnel Administration.

(d) In lieu of providing actual benefits, contractors may comply with this section by a cash payment to employees equal to the applicable determination under subdivision (c).

(e) Failure to provide benefits or cash-in-lieu to employees as required under this section shall be deemed to be a material breach for any contract for personal services covered by this section.

(f) The Department of General Services and the Department of Personnel Administration may adopt guidelines and regulations to implement the requirements of this section.

(g) This section applies to all contracts exceeding 90 days.

(h) Holiday pay shall be provided to employees of contractors providing services specified in subdivision (a) on any state holiday that the state facility in which the services are being provided is closed.

(i) This section shall also apply to wages and benefits of employees of subcontractors providing services specified in subdivision (a) in state-leased facilities where the facility is at least 50,000 square feet in area and the state leases all of the occupied floorspace of the facility.

SEC. 2. This act shall apply only to personal services contracts and lease subcontracts subject to Section 19134 of the Government Code entered into, renewed, or extended on or after July 1, 2003.

